Education Budget Priorities
Fiscal Year 2002

Chester E. Finn, Jr.
John M. Olin Fellow, Manhattan Institute

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Mr. Chairman and members of the Committee:

Thank you for the opportunity to testify today.

As you know, the Administration has not yet made detailed program-by-program budget recommendations for fiscal 2002. It has, however, indicated the order of magnitude of the spending that it proposes for education in general and the U.S. Department of Education in particular; it has spelled out its top priorities in this area; and it has given specifics for certain programs. It is time, therefore, for a preliminary appraisal.

Let's remind ourselves that the federal government's involvement with and spending on education go a lot farther than the Education Department's budget. Hundreds, of education programs are scattered far and wide across the executive branch. Obvious examples include the Head Start program in H.H.S., the billions that flow into biomedical research in U.S. universities via the National Institutes of Health, and the many science and math education programs at the N.S.F. Less obvious examples include the Defense Department's overseas schools, the Agriculture Department's graduate school, and various of the Labor Department's job training programs.

It's important also to remind ourselves that, despite this far-flung array of programs and activities and the sizable sums spent on them, the federal government remains very much the junior partner in U.S. education. This is frustrating to people–including more than a few members of Congress and the Executive Branch–who would like for Uncle Sam to be in the education driver's seat. But that's not where he is or

ever has been and, barring major rewritings of both the federal constitution and fifty state constitutions, that's not where he is going to be tomorrow. A little humility is therefore in order with respect to what Washington can accomplish in education. With trivial exceptions, the federal government runs no schools, hires no teachers, publishes no textbooks, grades no kids, sets no graduation requirements, and awards no diplomas. Those are state, local and school-specific decisions about which Uncle Sam has surprisingly little to say.

Washington has involved itself on the periphery of education, however, since the Civil War, when Uncle Sam began to gather education statistics and subsidize the creation of land-grant universities. Over almost a century and a half since then, myriad programs have proliferated. Most of them seek to use federal dollars to induce schools, school systems, states or universities to do something different than they otherwise would do, whether that's create drug-abuse prevention programs, supply extra help to low income children, investigate the causes of cancer, underwrite the development of new middle-school math and science curricula, or assist with the start-up costs of charter schools.

In K-12 education, there are just a few areas where Uncle Sam has become the senior partner, notably in special education, civil rights enforcement, and research, assessment and statistics. In higher education, of course, Washington plays a central role in aiding low-income students and paying for scientific research. Essentially everywhere else, however, the federal role is supplemental and, for the most part, peripheral.

The hard reality is that many of these programs accomplish very little besides the expenditure of tax dollars for worthy-sounding purposes. They are, in a word, ineffective. In some cases, such as Title I, they've been ineffective for decades. They've been ineffective despite the billions of dollars expended on them. The same is true of the so-called Safe and Drug Free Schools Program. The same is true of the Bilingual Education program. And it's true of such small but persistent programs as the Regional Educational Laboratories. In fact, I could suggest a very long list.

By "ineffective", I mean above all that these programs are not accomplishing their stated purposes. They are spending money, giving people jobs, sometimes doing perfectly nice things for children and schools, but they're not bringing about the results that their creators sought or that their rhetoric implies they are accomplishing. There is not a shred of evidence, for example, that America's schools are safer or freer from drugs as a result of the federal program dedicated to this worthy cause. Kids are not learning English better or faster as a result of federal bilingual dollars. (Indeed, a case can be made that those dollars slow down their English acquisition.) Particularly lamentable is the 36-year failure of the Title I program to narrow the achievement gap between disadvantaged youngsters and their better-off classmates.

Inadequate academic achievement is, after all, the premier problem in American primary/secondary education, and the gap between rich and poor children is an especially vexing manifestation of it.

Narrowing or eliminating that gap, and thus helping to boost poor children out of poverty, was the goal of President Johnson and the Congress in 1965 when they

enacted the Elementary and Secondary Education Act (ESEA), including its hallmark Title I program. (It was also the primary rationale for Head Start, originally part of the War on Poverty.)

Thirty-six years later, Title I, though much larger, has accomplished next to nothing by way of achievement-boosting and gap-narrowing. The main thing it's proven really good at is augmenting the budgets of nearly every school system in the land. Another thing it does well is tying state and local officials in knots of red tape. But it's not good at closing the rich-poor learning gap.

With the benefit of hindsight, we can see three big assumptions that President Johnson and the Congress made about Title I in 1965, assumptions that might have made sense then but that seem to me plainly wrong today and that go far toward explaining why the program has accomplished so little and suggesting how it should be changed before more billions are poured into it.

First, it was assumed in 1965 that pumping additional dollars into schools and school systems would cause better results to come out of them. Instead of focusing on the results, Congress focused on the inputs, taking for granted that improved achievement (or other desired changes) would follow. Regrettably, we now know that this simply isn't true.

Second, it was assumed in 1965 that states and districts were both incompetent and untrustworthy, especially when it came to the education of poor and minority children. So instead of being given additional money to spend as they judged best, they were given it in the form of "categorical" programs that spelled out exactly where and

how it must be spent. Today, I submit, the real energy for education reform in this country is coming from states and localities, yet their federal dollars remain tied up in categorical programs that often get in the way of their own priorities and programs.

Third, it was assumed in 1965 that the proper way to distribute federal dollars was to hand them to public school systems on the basis of demographic formulas focused on how many children of one kind or another lived within the geographic boundaries of those systems. Nobody thought to distribute the money to the needy (or otherwise eligible) children themselves or to specify that it should go to the schools that they actually attend rather than the districts where they live. Congress fundamentally changed this assumption for *higher* education in 1972, when it resolved to aid students rather than institutions. But it has never been changed at the K-12 level, even though today millions of children go to schools other than the public schools in their neighborhoods. Today, however, their federal aid doesn't accompany them to their charter school, their magnet school, their open-enrollment public school in another neighborhood or district, their cyber school, their home school or their private school. Because, it turns out, the aid isn't really theirs. It's still the school system's. Thus millions of low-income children receive no Title I aid at all.

Those three big assumptions–to focus on inputs rather than results, to mistrust the states and keep the federal aid dollars tightly wrapped in categories, and to fund institutions rather than children–remain central features of federal K-12 policy today.

Yet the world has changed since 1965 when E.S.E.A. was enacted and since 1975 when the predecessor of I.D.E.A. was enacted. Children now attend many

different sorts of schools in many different places. States are now leaders of education reform. Academic achievement (or "value added") is where everyone's focus is. And we know all too well that pouring more resources into one end of this pipe does not necessary increase or improve the learning that emerges from the other end.

Our federal education policies, in short, represent a museum of antiquated assumptions and archaic practices. Is it any wonder that most federal education programs are not very effective?

To his great credit, President Bush has proposed to change much of this. The sweeping reforms enumerated in his "No Child Left Behind" package would go a long way toward bringing federal education policy into the 21st century, modernizing the assumptions underlying the programs and changing their practices as well. No, it doesn't deal with everything–such as the sorely needed overhaul of I.D.E.A.–and it doesn't go as far as I would wish in some areas, such as funding children rather than institutions. But it makes huge strides, particularly in its focus on academic results rather than inputs, and in the ways it would empower states, districts and schools to concentrate on what they're accomplishing rather than compliance with myriad rules.

The President is a consistent man. His education policy package closely traces his campaign statements and proposals. He's doing exactly what he said he would if elected. As I read it, his 2002 budget also tracks those policies and priorities, as it should. It puts more money into the areas that he thinks need it most and does so with the expectation that the necessary program reforms will be made in time to govern the actual expenditure of these dollars when the next fiscal year rolls around. As has been

widely noted, the President's 2002 budget also contemplates larger increases in education than in any other area. This, too, reflects his priorities, notably his belief that fixing our K-12 education system is America's most urgent domestic priority.

If the program reforms that he has suggested–and perhaps some others–get made in time by Congress, the additional money will be worth spending. If they don't, frankly, much of that money won't be worth spending except as simple fiscal relief for states and districts. There are, of course, some areas where we can be reasonably sure the money will produce the intended result. I'm thinking of small programs operated directly by the federal government, such as the National Assessment of Educational Progress; of programs designed simply to transfer resources to people in the form of enhanced education purchasing power, such as Pell Grants; and of programs where the mere expenditure of federal dollars helps something promising to happen that otherwise would be harder, such as the creation of more charter schools. Even here, though, we should take care not to become softheaded or take too much for granted. What we should most want to know about Pell grant recipients, for example, is not how many of them attend college but how much they learn there, how much value their college experience adds to them. And excited as I am by charter schools, at the end of the day we want to know not just how many of them there are but how much and how well their students are learning.

What concerns me most, however, are the big elementary-secondary programs such as Title I, where we cannot count on anything much happening as a result of the federal dollars being spent, and the I.D.E.A. program, whose noble purpose often blinds

us to the problems that beset it. These are examples of programs in urgent need of basic rethinking and reworking so that we can have a greater confidence that the dollars spent on them will yield the desired results.

This is why I say that, if major reforms such as the President has proposed actually get enacted, then the additional investments he has called for–perhaps even more–will be worth making. If the programs remain substantially unchanged, however, we need to be honest with ourselves. They did not produce the desired result yesterday. They are not producing it today. And simply adding more money tomorrow won't alter that glum fact. We need to understand that the main reason they aren't accomplishing what we would like is that they rest on out-dated and erroneous assumptions. Let's change their assumptions and their ground rules before expecting money spent on them to be a good investment in the improvement of children's learning. Let's also remain humble. With the few exceptions noted above, even new assumptions and changed ground rules won't place Uncle Sam in the education driver's seat. But how much better off we would be if he were at least a cooperative passenger rather than one standing outside the vehicle watching it go by while shouting at the driver.

Thanks once again for the opportunity to talk with you today. I look forward to your questions.